Synopsis

A study on Impact of Performance Management System on Employee Engagement and Job Satisfaction in Healthcare Sector

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Submitted by

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1. Introduction

The healthcare sector plays animportant role in providing essential services and ensuring the well-being of individuals within a society. To maintain high-quality patient care and achieve organizational goals, healthcare organizations must manage their human resourceseffectively. Among various management practices, performance management systems have gained significant attention to enhance employee performance, engagement, and job satisfaction. The performance management system aligns individual employee goals with the organization's overall objectives, provides performance feedback, and facilitates continuous improvement. Performance management systems are critical in shaping employee behaviors, attitudes, and performance. These systems provide a framework for setting clear performance expectations, monitoring progress, providing feedback, and rewarding desired behaviours and outcomes. When effectively designed and implemented, performance management systems can foster a culture of continuous improvement, employee development, and goal attainment.

Within the healthcare sector, performance management systems' effectiveness is particularly important. Healthcare organizations face unique challenges, including a rapidly changing healthcare landscape, increased regulatory requirements, and the need to deliver high-quality care with limited resources. A well-designed performance management system can help healthcare organizations navigate these challenges by aligning employee performance with organizational objectives, promoting accountability, and facilitating performance improvement.

The National Capital Region (NCR) of India, encompassing the Delhi-NCR metropolitan area and adjoining regions, is a key hub for the healthcare sector in the country. The NCR region hosts diverse healthcare organizations, including hospitals, clinics, and medical research institutions, catering to a vast population. Within this dynamic and demanding sector, the effective management of human resources is paramount for ensuring optimal patient care, staff productivity, and overall organizational success.

Employee engagement has emerged as a critical factor in enhancing organizational performance and productivity. Engaged employees are more committed, motivated, and aligned with organizational objectives, resulting in improved service delivery and patient outcomes(Sweetman & Luthans, 2010). In the healthcare sector, employee engagement is especially crucial as it directly affects the quality and safety of patient care. Engaged healthcare professionals are

likelier to provide empathetic and compassionate care, exhibit teamwork and collaboration, and go above and beyond their prescribed roles to ensure positive patient experiences.

Moreover, job satisfaction, which reflects the overall level of contentment and fulfilment experienced by employees, has been identified as a key determinant of employee retention, productivity, and organizational commitment. In the healthcare sector, where high levels of stress and demanding work environments are common, job satisfaction is crucial in mitigating burnout, turnover, and absenteeism among healthcare professionals. Satisfied employees are likelier to stay with the organization, exhibit higher commitment and loyalty, and deliver higher-quality patient care.

Given the importance of employee engagement and job satisfaction in the healthcare sector, it is crucial to understand the factors that influence these outcomes. One such factor is the effectiveness of the performance management system implemented within healthcare organizations.

2. Literature Review

Abraham (2012) investigated the effectiveness of a comprehensive performance management system concerning employee performance while examining the mediating role of work engagement. The performance management system's (PMSE) effectiveness was evaluated based on its accuracy and fairness, as suggested by previous researchers. A sample of 285 employees from various branches of private banks in Pakistan was selected for the study. A structured questionnaire was utilized, which was validated using confirmatory factor analysis (CFA) in the Pakistani context. The results indicated that PMSE and work engagement significantly influenced both employees' task performance and contextual performance. Furthermore, the study supported the complementary mediating role of employee work engagement in the relationship between PMSE and employee performance (specifically, task and contextual performances). These findings have practical implications for developing human resources (HR) and PMSE strategies within private banks in Pakistan.

Stirpe, Profili, and Sammarra (2022) investigate the evaluation of HR practices (HRPs) by employees, which is an important yet understudied factor in determining their effectiveness. Using the Job Demands-Resources model as a framework, the study proposes a moderated mediation model to examine the relationship between employee satisfaction with HRPs and their in-role and extra-role performance, with engagement as the mediating factor. The findings

indicate that employee satisfaction with HRPs significantly impacts both dimensions of performance, but its influence is greater for extra-role performance. Engagement significantly mediates only in the relationship between satisfaction with HRPs and extra-role performance. Additionally, the study recognizes the potential burdens that HRP-related resources may impose on employees. It explores the moderating effects of personal resources, such as health, on the link between satisfaction with HRPs and engagement. The results reveal that employee health significantly strengthens the relationship between satisfaction with HRPs and engagement. Furthermore, the indirect effect of satisfaction with HRPs on extra-role performance is stronger for employees with better health.

Manzoor, Wei and Asif (2021) examined the mediating role of employee motivation. Data for this study were collected using questionnaires distributed among small and medium enterprises in Pakistan. Four hundred questionnaires were distributed, and 300 were returned and used for analysis. Confirmatory factor analysis and structural equation modelling were employed to test the hypotheses. The study's key findings indicate a positive and significant impact of intrinsic rewards on employee performance. Specifically, the research highlights that employee motivation significantly mediates the relationship between intrinsic rewards and employee performance. These results emphasize that when employees perceive intrinsic rewards, it enhances their motivation, leading to improved performance outcomes.

Rana, Mukhtar and Mukhtar (2022) aimed to explore the mediating role of perceived job satisfaction in the relationship between performance appraisal, reinforcement, and job task performance among medical healthcare professionals during the COVID-19 pandemic. A sample of 550 medical healthcare professionals (300 males and 250 females) was selected from public and private hospitals. The study's findings revealed that perceived job satisfaction acts as a mediator between performance appraisal, reinforcement, and job task performance among medical healthcare professionals. This implies that when medical professionals perceive higher levels of job satisfaction, it positively influences their ability to perform job tasks effectively in response to performance appraisal and reinforcement.

Inayat and Khan (2021) investigated the influence of job satisfaction on employee performance within private-sector organizations in Peshawar, Pakistan. A sample of 180 employees was selected from various private organizations in Peshawar, with an equal number of participants (n=60) randomly chosen from hospitals, banks, and universities. The study employed the

Minnesota Satisfaction Questionnaire (MSQ-short form) developed by Weiss et al. (1967) and a self-constructed Performance Evaluation Form (PRF) as research instruments. The reliability of both instruments was assessed to ensure their validity.The study's findings revealed a significant correlation between job satisfaction and occupation type.

Additionally, a positive relationship between job satisfaction and employee performance was established. This suggests that satisfied employees exhibit better performance than dissatisfied employees, making a substantial contribution to organizational development. Given Peshawar's unstable economic and political conditions, organizations must implement various techniques and strategies to motivate and satisfy employees, thus enhancing their performance levels.

Vuong and Nguyen (2022) conducted a systematic review to examine the primary methodologies for measuring organizational employee performance. Following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) technique, the researchers conducted a comprehensive literature review, focusing on relevant articles, research papers, and other materials related to the main approaches for measuring staff performance and their associated factors. The systematic review findings indicated that collaborative initiatives had a positive and statistically significant impact on employee performance. Performance measurement techniques aim to identify employees' strengths and weaknesses and motivate them to enhance their performance. Evaluating employee performance demonstrates a positive relationship between performance appraisal and employee motivation. Performance evaluation systems need to provide a fair assessment of team members and align with the employees' individual goals.

3. Research Gap

While several studies have explored the relationship between performance management systems, employee engagement, and job satisfaction in various industries, there is a dearth of research specifically focusing on the healthcare sector in the NCR region of India. The healthcare industry operates in a distinct context with its own challenges, such as high patient expectations, complex regulatory frameworks, and a diverse workforce comprising medical professionals, support staff, and administrative personnel.

Understanding the specific implications and outcomes of performance management system effectiveness on employee engagement and job satisfaction in the healthcare sector of the NCR region is essential for healthcare organizations in this area. This research aims to fill this gap by

evaluating the impact of performance management system effectiveness on employee engagement and job satisfaction in the healthcare sector of the NCR region in India.

4. **Objective of the study**

1. To examine the relationship between Performance Management System effectiveness and Employee engagement in the Healthcare Sector of the NCR Region of India.
2. To study the impact of Performance Management System Effectiveness on Job Satisfaction and Turnover Intentions in the Healthcare Sector of the NCR Region of India.
3. To study the impact of employee engagement on Job satisfaction and Turnover Intentions in the Healthcare Sector of the NCR Region of India.
4. To investigate the mediating impact of employee engagement in the relationship between Performance management system effectiveness and Job Satisfaction and Turnover Intentions in the Healthcare Sector of the NCR Region of India.

5. **Hypotheses of the Study**

Null Hypothesis 1: PMSE has no significant impact on Employee engagement.
Alternative Hypothesis 1: PMSE has a significant impact on Employee engagement.

Null Hypothesis 2: PMSE has no significant impact on Job satisfaction.
*Alternative Hypothesis 2:*PMSE has significant impact on job satisfaction.

Null Hypothesis 3: PMSE has no significant impact on turnover intentions.
*Alternative Hypothesis 3:*PMSE has significant impact on turnover intentions.

*Null Hypothesis 4:*Employee engagement has no significant impact on Job satisfaction.
*Alternative Hypothesis 4:*Employee engagement has significant impact on Job satisfaction.

Null Hypothesis 5: Employee engagement has no significant impact on Turnover intentions.
Alternative Hypothesis 5: Employee engagement has significant impact on Turnover intentions.

*Null Hypothesis 6:*Employee engagement has no significant mediating impact in the relationship between PMSE and Job satisfaction.
*Alternative Hypothesis 6:*Employee engagement has significant mediating impact in the relationship between PMSE and Job satisfaction.

Null Hypothesis 7: Employee engagement has no significant mediating impact in the relationship between PMSE and Turnover Intentions.
*Alternative Hypothesis 7:*Employee engagement has no significant mediating impact in the relationship between PMSE and Turnover Intentions.

6. Methodology

Sample: Doctors, Nurses staff and GDA staff.
Statistical Techniques: Purposive Sampling
Variables: PMSE, Employee Engagement, Job Satisfaction, and Turnover Intention
Sample Size: approximate 450
Research Instrument: Questionnaire
Area of the study: selected cities from Uttar Pradesh, Delhi, Haryana, and Rajasthan
Research method: CFA and SEM

7. Conclusion including the scope and limitations of your study

This study's scope was limited to the healthcare sector in the NCR Region of India, so caution should be exercised when generalizing the results to other sectors and areas until further research is conducted. The research model could also be further tested within the entire service sector or manufacturing industry. The data collection employed a purposive sampling method, but future researchers may consider using random sampling. The current research focused solely on quantitative assessment, but qualitative research could also be conducted in this area.
A significant limitation of this study is its reliance on cross-sectional data, which means that speculation is necessary when considering the employees' previous levels of satisfaction and perceptions regarding the indices used in the present research. Future research could employ longitudinal designs to capture changes over time.

8. Tentative Chapter Plan:

Chapter 1: Introduction

- Background and Rationale for the Study
- Statement of the problem
- Research objectives and questions
- Significance of the study
- Scope and limitations

Chapter 2: Literature Review

- Overview of performance management systems
- Theoretical frameworks and models related to employee engagement and job satisfaction
- Previous studies on the impact of performance management system effectiveness on employee engagement and job satisfaction
- Gaps in the literature

Chapter 3: Methodology

- Research design and approach
- Data collection methods
- Sampling strategy and sample size determination
- Instrumentation and measurement of variables
- Data analysis techniques

Chapter 4: The Healthcare Sector in the NCR Region of India

- Overview of the healthcare sector in the NCR Region
- Key characteristics and challenges of the sector
- Importance of employee engagement and job satisfaction in healthcare organizations

Chapter 5: Data Analysis and Results

- Description of the study sample
- Statistical analysis of data
- Presentation and interpretation of results

Chapter 6: Discussion

- Summary of findings
- Comparison with previous research
- Theoretical and practical implications
- Limitations of the study
- Recommendations for future research

Chapter 7: Conclusion

- Summary of the study
- Key findings and contributions
- Implications for healthcare organizations
- Conclusion and final remarks

References

- List of cited sources in APA format

Appendices

- Questionnaires

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